

Date Mailed
October 6, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Prescribing Classes of Fixed Capital, A
Range of Annual Depreciation Rates, and a Composite
Range of Annual Depreciation Rates for All Classes of Fixed
Capital

05-DT-104

**NOTICE OF PROCEEDING
AND
INVESTIGATION AND REQUEST FOR COMMENTS**

Comments Due:	Address Comments To:
Friday, November 17, 2000 – Noon	Clarence Mougin, Compliance Manager Division of Water, Compliance and Consumer Affairs Public Service Commission P.O. Box 7854 Madison, WI 53707-7854 FAX (608) 266-3957
FAX Due:	
Thursday, November 16, 2000 – Noon	

THIS IS A PROCEEDING to establish a range of annual depreciation rates for each class of fixed telecommunications capital and a composite range of annual depreciation rates for all classes of fixed telecommunications capital used by Incumbent Local Exchange Carriers.

Under Wis. Stat. § 196.09(9), the Commission is directed to create biennially, by order, guidelines establishing a range of annual depreciation rates for each class of telecommunications fixed capital, and a composite range of annual depreciation rates for all classes of telecommunications fixed capital. The effective date for these depreciation rates will be January 1, 2001.

A copy of the depreciation rates presently certified in docket 05-DT-103 and a draft schedule of depreciation rates being considered in this docket are enclosed with this notice.

The Commission requests comments on the above depreciation rates. Any party who desires to file comments should submit an original and 15 copies as indicated in the box above. Members of the public need only file an original. These comments must be received by noon on Friday, November 17, 2000. Comments by fax are due one day earlier. Fax filing cover sheets must state "Official Filing" and include the docket number and the number of pages (limit of 20 pages). File by one mode only.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions regarding this matter may be directed to case coordinator Clarence Mouglin at (608) 267-0637.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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WISCONSIN TELECOMMUNICATIONS UTILITIES
Attachment 1
05-DT-103 - Guideline Range of Depreciation Rates

Account Number	Account Title	Service Life in Years	Net Salvage		Range for Annual Deprec. Rates	
			Min %	Max %	Min %	Max %
2112	Motor Vehicles	4 - 8	0% -	25%	9.4% -	25.0%
2114	Tools and Other Work Equipment	10 - 15	0% -	5%	6.3% -	10.0%
2115	Garage Work Equipment	12 - 20	0% -	5%	4.8% -	8.3%
2116	Other Work Equipment	10 - 15	0% -	5%	6.3% -	10.0%
2121	Buildings	30 - 40	0% -	0%	2.5% -	3.3%
2122	Furniture	10 - 15	0% -	5%	6.3% -	10.0%
2123.1	Office Support Equipment	5 - 10	0% -	5%	9.5% -	20.0%
2123.2	Company Communications Equipment	5 - 7	0% -	0%	14.3% -	20.0%
2124	General Purpose Computers	4 - 8	0% -	0%	12.5% -	25.0%
2211	Analog ESS	5 - 7	0% -	(5%)	14.3% -	21.0%
2212	Digital ESS HARDWARE	9 - 15	0% -	3%	6.5% -	11.1%
2212.1	Digital ESS SOFTWARE	2 - 4	0% -	0%	25.0% -	50.0%
2215.1	Step by Step Switching	5 - 6	0% -	(5%)	16.7% -	21.0%
2215.2	Crossbar Switching	5 - 6	0% -	(5%)	16.7% -	21.0%
2220	Operator Systems	8 - 11	7% -	8%	8.4% -	11.6%
2231	Radio Systems	8 - 11	7% -	8%	8.4% -	11.6%
2232.1	Digital Circuit Equipment	7 - 11	7% -	8%	8.4% -	13.3%
2232.2	Analog Circuit Equipment	5 - 6	0% -	(5%)	16.7% -	21.0%
2232.3	Light Wave Circuit Equipment	7 - 11	7% -	8%	8.4% -	13.3%
2351	Public Telephone Equipment	7 - 10	5% -	10%	9.0% -	13.6%
2362	Other Terminal Equipment	7 - 10	0% -	(5%)	10.0% -	15.0%
2411	Pole Lines	15 - 25	(50%) -	(75%)	6.0% -	11.7%
2421.1	Aerial Cable-Nonmetallic	17 - 25	(15%) -	(25%)	4.6% -	7.4%
2421.2	Aerial Cable-Metallic	17 - 25	(15%) -	(25%)	4.6% -	7.4%
2422.1	Underground Cable-Nonmetallic	17 - 25	(10%) -	(15%)	4.4% -	6.8%
2422.2	Underground Cable-Metallic	17 - 25	(10%) -	(15%)	4.4% -	6.8%
2423.1	Buried Cable-Nonmetallic	17 - 25	(10%) -	(15%)	4.4% -	6.8%
2423.2	Buried Cable-Metallic	17 - 25	(10%) -	(15%)	4.4% -	6.8%
2424	Submarine Cable	20 - 25	(15%) -	(25%)	4.6% -	6.3%
2426	Intrabuilding Cable	17 - 20	0% -	(10%)	5.0% -	6.5%
2431	Aerial Wire	7 - 12	(50%) -	(75%)	12.5% -	25.0%
2441	Conduit Systems	33 - 40	0% -	(15%)	2.5% -	3.5%

NOTE 1: The total composite range of annual depreciation rates for all classes of fixed capital is from 6.0% to 9.0%.

NOTE 2: In the event any class of plant shall become fully depreciated by the use of these rates with due consideration for net salvage, if any, then no further depreciation accrual for such class of plant shall be made.

WISCONSIN TELECOMMUNICATIONS UTILITIES
DRAFT 05-DT-104 - Guideline Range of Depreciation Rates

Attachment 2

Effective January 1, 2001			Range for Annual			
Account		Service Life	Net Salvage		Deprec. Rates	
Number	Account Title	in Years	Min %	Max %	Min %	Max %
2112	Motor Vehicles	4 - 8	0%	25%	9.4%	25.0%
2114	Tools and Other Work Equipment	10 - 15	0%	0%	6.7%	10.0%
2115	Garage Work Equipment	10 - 15	0%	0%	6.7%	10.0%
2116	Other Work Equipment	10 - 15	0%	0%	6.7%	10.0%
2121	Buildings	30 - 40	0%	0%	2.5%	3.3%
2122	Furniture	10 - 15	0%	0%	6.7%	10.0%
2123.1	Office Support Equipment	5 - 10	0%	0%	10.0%	20.0%
2123.2	Company Communications Equipment	5 - 7	0%	0%	14.3%	20.0%
2124	General Purpose Computers	4 - 8	0%	0%	12.5%	25.0%
2211	Analog ESS	5 - 7	0%	(5%)	14.3%	21.0%
2212	Digital ESS HARDWARE	9 - 12	0%	3%	8.1%	11.1%
2212.1	Digital ESS SOFTWARE	2 - 4	0%	0%	25.0%	50.0%
2220	Operator Systems	7 - 11	0%	0%	9.1%	14.3%
2231	Radio Systems	8 - 11	0%	0%	9.1%	12.5%
2232.1	Digital Circuit Equipment	7 - 10	7%	8%	9.2%	13.3%
2232.2	Analog Circuit Equipment	5 - 6	0%	(5%)	16.7%	21.0%
2232.3	Light Wave Circuit Equipment	7 - 10	7%	8%	9.2%	13.3%
2351	Public Telephone Equipment	7 - 10	5%	10%	9.0%	13.6%
2362	Other Terminal Equipment	7 - 10	0%	(5%)	10.0%	15.0%
2411	Pole Lines	15 - 25	(50%)	(75%)	6.0%	11.7%
2421.1	Aerial Cable-Nonmetallic	17 - 22	(20%)	(25%)	5.5%	7.4%
2421.2	Aerial Cable-Metallic	17 - 22	(20%)	(25%)	5.5%	7.4%
2422.1	Underground Cable-Nonmetallic	17 - 22	(10%)	(15%)	5.0%	6.8%
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2424	Submarine Cable	17 - 22	(10%)	(15%)	5.0%	6.8%
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2431	Aerial Wire	7 - 12	(50%)	(75%)	12.5%	25.0%
2441	Conduit Systems	33 - 40	0%	(15%)	2.5%	3.5%

NOTE 1: The total composite range of annual depreciation rates for all classes of fixed capital is from 6.25% to 9.25%.

NOTE 2: In the event any class of plant shall become fully depreciated by the use of these rates with due consideration for net salvage, if any, then no further depreciation accrual for such class of plant shall be made.